



May 29, 2015

To: Executive Board

Subject: **Fiscal Year 2014-2015 Third Quarter Budget Update**

Recommendation

Receive and file the Third Quarter Budget Update for the fiscal year ending June 30, 2015.

The attached Departmental Third Quarter Budget report summarizes Foothill Transit's expenditures through the third quarter and provides a forecast to complete the fiscal year.

FY 2014-2015 Budget Update

Operating Budget Update

As of March 31, 2015, Foothill Transit is \$4.6 million under the approved operating budget of \$57.8 million. After reviewing the third quarter budget and expenditures, Foothill Transit forecasts to end the fiscal year approximately \$4.0 million under the approved operating budget of \$77.2 million.

When the budget was prepared in May 2014, overall expenses were budgeted to increase by 15 percent primarily due to uncertainty in choosing a new operating contractor for the Arcadia operation. The current level of expenditures indicates that the actual year-over-year increase will be closer to seven percent instead of the anticipated 15 percent. Budget increases in salary, wages, and benefits due to adoption of the retirement program for all employees, liability insurance due to addition of property insurance for the Industry Park & Ride structure, completion of the Comprehensive Operational Analysis, and procurement legal fees for both the Arcadia contract and the CAD/AVL system contributed to this budget increase.

Capital Budget Update

As of March 31, 2015, Foothill Transit has expended \$37.8 million on capital projects. The FY2014-2015 budget included \$136.2 million of approved capital projects; \$22.2 million spent prior to FY2014-2015, \$62.4 million for on-going projects and \$51.6 million for new projects. The expected cash flow for FY2014-2015 is \$48.8 million. Major projects include procurement of 60 CNG



buses, two electric buses, replacement of the CAD/AVL system for all 330 Foothill Transit buses, and construction of the Azusa Intermodal Transportation Facility.

Grants Management Activities

Foothill Transit was awarded a federal grant for \$680,000 for construction of an electric bus charging station at the Azusa Intermodal Transportation Facility. The charging station is part of a larger project to fully electrify Line 280 with two charging stations and 13 new electric buses. Two additional grants have been requested for this project from the State of California Low Carbon Transit Operations Program.

Sincerely,

Michelle Caldwell
Director of Finance

Doran J. Barnes
Executive Director

Attachment

FY14/15 Quarterly Budget Variance Report

TOTAL BUDGET BY DEPARTMENT

Annual Forecast

	DEPARTMENTS	Actual Y-T-D	Budget Y-T-D	Variance Y-T-D	Annual Budget	Annual Forecast	Estimated Variance from Budget
1	Customer Service & Operations	\$45,867,809	\$48,773,066	\$2,905,257	\$65,268,600	\$61,811,890	\$3,456,710
2	Maintenance & Vehicle Technology	429,219	511,965	82,746	682,600	668,681	13,919
3	Marketing	999,947	1,241,136	241,189	1,654,800	1,605,008	49,792
4	IT	1,012,720	1,407,456	394,736	1,876,600	1,838,930	37,670
5	Administrative	1,924,801	2,126,574	201,773	2,835,400	2,796,273	39,127
6	Procurement	546,186	615,231	69,045	820,300	810,010	10,290
7	Finance	678,204	800,703	122,499	1,043,600	922,547	121,053
8	Planning	814,125	1,320,525	506,400	1,760,700	1,484,285	276,415
9	Facilities	882,881	989,028	106,147	1,318,670	1,307,812	10,858
10	TOTAL	\$53,155,892	\$57,785,684	\$4,629,792	\$77,261,270	\$73,245,435	\$4,015,835